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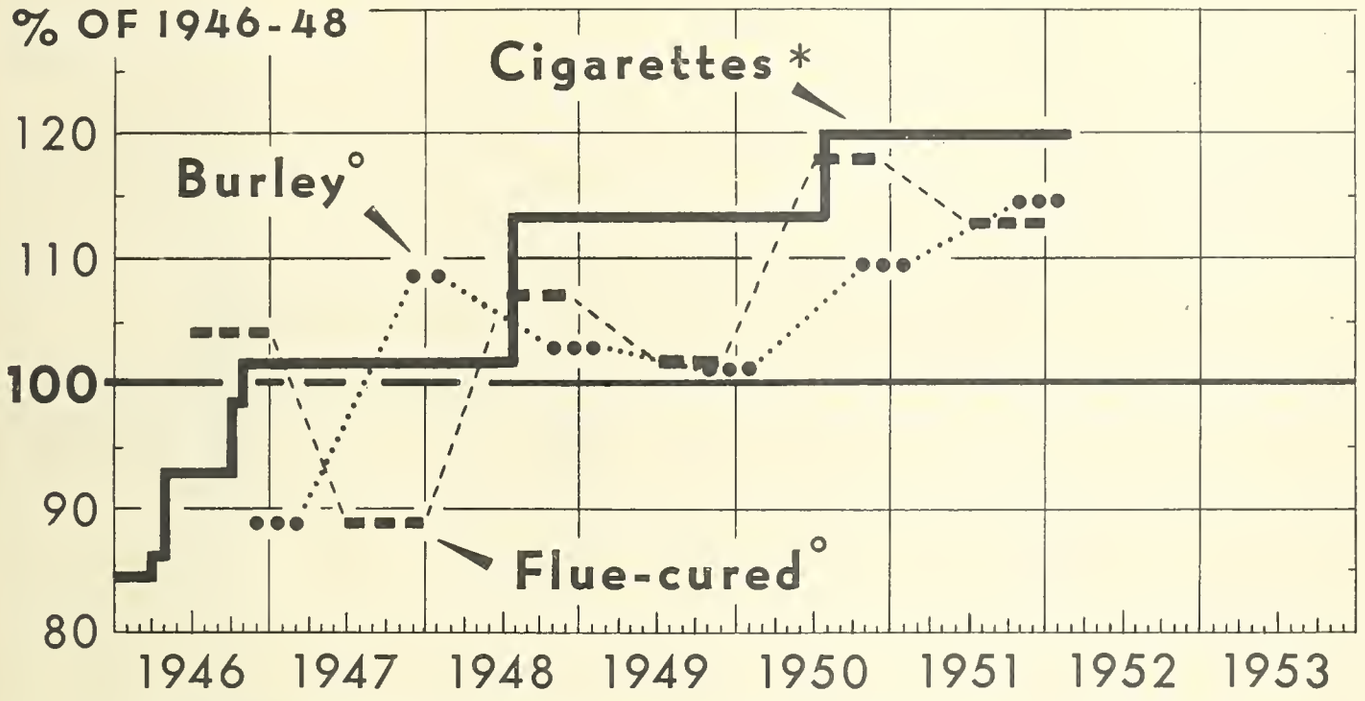
THE Tobacco SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

TS-60 BAE MAY-1952

PRICES OF CIGARETTES AND LEAF TOBACCO



* MANUFACTURERS' PRICES, EXCLUDING FEDERAL AND STATE TAXES.
° SEASON AVERAGE PRICES RECEIVED BY GROWERS (MARKETINGS: FLUE-CURED USUALLY JULY-DEC.; BURLEY USUALLY LATE NOV.-FEB.)

U. S. DEPARTMENT OF AGRICULTURE NEG. 48635-XX BUREAU OF AGRICULTURAL ECONOMICS

Manufacturers' prices of standard brand cigarettes (excluding the Federal excise tax and State taxes) were 20 percent higher in 1951 than the 1946-48 average. The season average prices received by growers for their 1951 crops of flue-cured and Burley were 13 and 14 1/2 percent higher, respectively, than their 1946-48 averages. The 1951 season average price of flue-cured at 52.4 cents per pound was 4 percent lower than that received for the 1950 crop, but the Burley average, at 51.2 cents per pound, was 4 1/2 percent higher.

The prospects are for not much change in growers' prices for the 1952 crops of flue-cured and Burley. Total supplies for 1952-53 are likely to be fairly large. Domestic consumption will continue high but exports probably will be smaller. Government price supports probably will be near last season's levels.

STATISTICAL SUMMARY

Item	Unit or base period	1951 Jan.	1951 Feb.	1951 March	1951 April	1952 Jan.	1952 Feb.	1952 March	1952 April	Last data available as percentage of a year earlier
Average prices at auctions										
Flue-cured	Cents per lb.	C - l - o - s - e - d				C - l - o - s - e - d				1/ 96
Burley	Cents per lb.	49.7	43.2	Closed	Closed	48.3	35.7	Closed	Closed	1/ 104
Maryland	Cents per lb.	C - l - o - e - e - d				C - l - o - s - e - d				---
Fire-cured	Cents per lb.	32.7	30.6	26.9	27.1	39.0	40.6	33.9	Closed	1/ 128
Dark air-cured (35-36)	Cents per lb.	23.3	23.0	Closed	Closed	35.1	26.6	Closed	Closed	1/ 148
Virginia sun-cured (37)	Cents per lb.	35.1	32.9	Closed	Closed	34.9	31.2	Closed	Closed	1/ 102
Parity prices										
Flue-cured	Cents per lb.	54.1	54.9	55.7	56.3	56.0	56.2	56.2	56.4	100
Burley	Cents per lb.	53.3	54.1	54.9	55.5	54.8	55.0	55.0	55.2	99
Maryland	Cents per lb.	58.5	59.3	60.2	60.8	59.1	59.3	59.3	59.5	98
Fire-cured	Cents per lb.	32.4	32.8	33.3	33.7	34.7	34.8	34.8	35.0	104
Dark air-cured (35-36)	Cents per lb.	28.6	29.0	29.4	29.7	30.4	30.5	30.5	30.6	103
Virginia sun-cured (37)	Cents per lb.	32.6	36.7	37.2	37.6	37.6	37.7	37.7	37.9	101
Parity index 2/	1910-14=100	272	276	280	283	287	288	288	289	102
Tax-paid withdrawals										
Cigarettes, small	Billion	34	29	30	30	33	29	30	32	107
Cigars, large	Million	459	435	455	444	495	447	478	492	111
Chewing and smoking	Mil. lb.	17	15	15	15	16	15	14	15	100
Snuff	Mil. lb.	3.7	3.3	3.3	3.5	3.7	3.7	3.1	3.5	100
Accumulated from Jan. 1										
Cigarettes, small	Billion	34	63	93	123	33	63	92	125	102
Cigars, large	Million	459	894	1,349	1,793	495	941	1,419	1,911	107
Chewing and smoking	Mil. lb.	17	31	46	61	16	31	44	59	97
Snuff	Mil. lb.	3.7	7.0	10.3	13.8	3.7	7.4	10.5	14.0	101
Tax-free removals										
Cigarettes, small	Billion	2	3	4	3	4	3	3		75
Cigars, large	Million	6	7	7	10	10	9			129
Chewing and smoking	Mil. lb.	.4	.4	.8	.7	.8	.5	.6		75
Accumulated from Jan. 1										
Cigarettes, small	Billion	2	5	9	12	4	7	10		111
Cigars, large	Million	6	12	20	30	10	19			158
Chewing and smoking	Mil. lb.	.4	.8	1.6	2.3	.8	1.3	1.9		119
Personal income 3/	Bil. dol.	244	243	246	249	258	258	258		105
Index of industrial production 4/	1935-39=100	221	221	222	223	220	222	220	216	97
Employment	Million	59.0	58.9	60.2	60.0	59.7	59.8	59.7	60.1	100
Pct. labor force employed	Monthly	95.9	96.1	96.6	97.2	96.7	96.6	97.1	97.4	100
Exports (farm-sales wt.)										
Flue-cured	Mil. lb.	29.3	18.5	24.6	24.0	31.6	27.2	22.4		91
Burley	Mil. lb.	2.0	1.3	2.4	4.4	1.4	2.4	1.3		54
Maryland	Mil. lb.	.8	.1	5/	1.6	.4	.6	.4		---
Fire-cured	Mil. lb.	2.9	2.3	4.7	4.5	3.2	1.7	3.7		79
Dark air-cured	Mil. lb.	.4	.4	.7	.9	.8	.9	.7		100
Cigar	Mil. lb.	.3	.4	.5	.9	.4	.4	.6		120
Accumulated from beginning of marketing yr. 6/										
Flue-cured	Mil. lb.	323.5	342.0	366.6	390.6	388.4	415.6	438.0		119
Burley	Mil. lb.	11.1	12.4	14.8	19.2	9.4	11.8	13.1		89
Maryland	Mil. lb.	2.7	2.8	2.8	4.4	2.1	2.7	3.1		111
Fire-cured	Mil. lb.	12.3	14.6	19.3	23.8	11.4	13.0	16.7		87
Dark air-cured	Mil. lb.	2.8	3.2	3.9	4.8	3.1	4.0	4.7		121
Cigar filler and binder	Mil. lb.	1.1	1.4	1.7	2.0	1.4	1.6	1.9		112
Cigar wrapper	Mil. lb.	2.0	2.1	2.3	2.8	2.4	2.5	2.8		122
U.S. imports, all commodities	Mil. dol.	959	1,061	1,266	1,352	1,234	1,315	1,403		111
Accumulated from Jan. 1	Mil. dol.	959	2,020	3,286	4,638	1,234	2,549	3,952		120
Sterling area gold and dollar reserves 7/	Mil. dol.	3,300			3,758	2,355	2,036	1,770	1,700	45
Stocks of domestic types (farm-sales weight) 8/										
Flue-cured	Mil. lb.	2,090			1,796	2,268			1,990	111
Burley	Mil. lb.	1,119			1,241	1,188			1,344	108
Maryland	Mil. lb.	53			47	59			52	111
Fire-cured	Mil. lb.	151			178	137			173	97
Dark air-cured	Mil. lb.	75			90	77			87	97
Cigar, filler	Mil. lb.	174			212	181			216	102
Cigar, binder	Mil. lb.	131			163	141			159	98
Cigar, wrapper	Mil. lb.	26			24	28			25	104

1/ Comparisons based on season average prices. 2/ Prices paid, interest, taxes, and farm wage rates. 3/ Annual rate, seasonally adjusted. 4/ Adjusted for seasonal variation. 5/ Less than 50,000 pounds. 6/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 7/ Held in London as of beginning of month. 8/ Dealers' and manufacturers' holdings in United States and Puerto Rico on first day of quarter.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board May 27, 1952

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SUMMARY

With employment and personal income likely to remain high, cigarette consumption in this country in 1952-53 will be at a record or near record level. Demand for cigarette tobacco for domestic use probably will be strong, but the export demand for flue-cured, the major kind shipped abroad, will be weaker than this season.

Cigarette output in the United States during the fiscal year ending June 30, probably will be near 421 billion--3 percent higher than in 1950-51 and a new record. Consumption in this country, its territories, and by overseas forces accounts for about 95 percent of total output.

The 1952 acreage allotments for both flue-cured and Burley, the principal cigarette tobaccos, are about the same as in 1951. According to growers' intentions on March 1, this year's harvested acreage of flue-cured and Burley may be slightly larger than last year's. If yields per acre are near the averages of recent years, the 1952 flue-cured and Burley crops will be relatively close to last year's crops in size. The carry-overs of flue-cured and Burley at the beginning of the 1952-53 marketing year will exceed those of last year. The 1952-53 total supply of each type--production plus carry-over--probably will be around 5 percent larger than for 1951-52.

Domestic use of flue-cured in the current marketing year will be the largest on record and that of Burley probably will be a near record. A significant quantity of Burley goes into smoking tobacco, output of which has been smaller than last year. It is estimated that the manufacture of smoking tobacco in the year ending June 30 will be about 100 million pounds--6 percent less than in 1950-51.

Exports of unmanufactured tobacco in the current fiscal year are expected to be approximately 510 million pounds, declared weight (approximately 575 million pounds farm-sales weight equivalent),--7 percent larger than in 1950-51 and the largest since 1946-47. The 1951-52 exports of flue-cured, the major export tobacco, seem likely to total about 425 million pounds, declared weight (approximately 490 million pounds farm-sales weight equivalent),--one-eight larger than in 1950-51 and the second largest since 1930-31. The principal factor accounting for the increase over 1950-51 was the larger takings by the United Kingdom. Export demand will be weaker in the 1952 crop marketing season because Britain and probably some other Commonwealth countries will be buying less. Imports are being cut as one of the measures to halt and reverse the drain on gold and dollar reserves of the sterling area. An arrangement has been worked out between the Commodity Credit Corporation, the growers' cooperatives, and United Kingdom buyers, which provided for CCC financing for a sizable amount of flue-cured to be held here under option for British manufacturers.

The gold and dollar position of several other important countries that import tobacco from the United States showed notable improvements during 1951. A number of these countries may take as much or more in the year ahead.

The 1952 season average prices for flue-cured and Burley are expected to be fairly near those of last season. The Government price supports probably will be quite close to those in effect for the 1951 season.

The 1951 crop of Maryland is now being marketed. Supplies are at a record level. Although the quality of the offerings has been better than during the last season, the auction prices in May averaged 14 percent below those of May 1951. The Maryland market is operating without Government price support this season. Most Maryland tobacco is used in cigarettes. Although cigarette output has gained significantly in the last few years, domestic use of Maryland has remained at about the same level.

Snuff and chewing tobacco are major outlets for fire-cured and dari air-cured tobacco. Burley and some grades of cigar tobacco are also used in chewing tobacco. The output of chewing tobacco and snuff during the fiscal year ending June 30 are estimated at about 86 1/2 and 39 1/2 million pounds, respectively,--each a little below its 1950-51 level. The 1952 crops of fire-cured and dark air-cured tobacco may be slightly larger than last year's while their carry-overs may be a little lower. The 1952-53 total supplies of both fire-cured and dark air-cured seem likely to be 4 or 5 percent smaller than those for 1950-51. During the first half of the current marketing year, exports of fire-cured were lower and exports of dark air-cured were higher than in the same period of last year. Prices growers receive for the 1952 crops of these types are expected to average fairly close to 1951 levels. Government price supports for fire-cured and dark air-cured are computed at 75 and 66 2/3 percent of the Burley loan level, respectively.

The consumption of cigars in the United States in the fiscal year ending June 30 is estimated at 5,860 million--2.1 percent larger than in 1950-51 and 7.1 percent larger than in 1949-50. As high, or perhaps slightly higher, level of consumption is expected in the year ahead.

The acreage and production of continental cigar filler is likely to be around 10 percent less this year than last. The total 1952-53 supply of filler probably will slightly greater than for 1950-51 because of the larger carry-over. Supplies of Pennsylvania filler probably will be the largest for any year since 1925-26.

Prospective acreage changes of the cigar binder types vary from last year but if yields are near the averages of recent years, the 1952 combined production seems likely to be a little higher than in 1951. The carry-over of binder tobacco next October is likely to be smaller and the 1952-53 total supply probably will be about 3 percent less than the 1951-52 level.

Prices of the 1952 crops of Pennsylvania Seedleaf and the cigar filler and binder kinds of tobacco will not be supported since growers did not vote in favor of marketing quotas in the referenda held last December.

The 1952 production of the shade-grown wrapper types may be slightly lower than last year's; but 1952-53 carry-over may be a little larger, and total supplies are expected to be nearly the same as those for 1950-51. In the 1952 season, the marketings of some poorer qualities of the Georgia-Florida, type 62, shade-grown will be limited by a marketing agreement and order which were recently put into effect.

TOBACCO PRODUCTS

Cigarettes

Cigarette output in the United States during the fiscal year ending June 30, 1952, probably will reach 421 billion--a new record. Cigarette manufacture in 1950-51 was 407 billion and in 1949-50, 383 billion. Consumption in this country, its territories, and by overseas forces will account for about 95 percent and exports for about 4 percent. Uses such as seastores and for prisoners and so forth account for the remaining 1 percent.

The output of cigarettes in 1952-53 is expected to continue at a high level since consumer demand is likely to remain strong. General economic activity will continue to be bolstered by a high level of defense expenditures, and consumer incomes are expected to continue relatively high.

Table 1.- Cigarettes: Total output, domestic consumption and exports, for specified periods

Period	Total output	Domestic 1/ consumption	Tax-free removals 2/ Total	Tax-free removals 2/ Exports
	Billion	Billion	Billion	Billion
Average:				
1925-29	3/ 107.5	98.2	3/ 9.4	9.0
1935-39	164.2	157.0	7.2	5.5
1940-44	256.9	223.5	33.3	5.8
1945	332.2	267.2	65.0	6.9
1946	350.0	321.7	30.7	24.1
1947	369.7	335.4	34.3	22.8
1948	386.8	348.5	38.7	25.2
1949	385.0	351.8	33.2	19.5
1950	392.0	360.2	31.8	14.4
1951	418.8	378.3	38.9	16.8
		Fiscal year		
July 1949-June 1950	383.3	354.7	28.6	16.3
July 1950-June 1951	407.3	369.2	38.0	15.6
July 1951-June 1952 4/	421.0	380.0	41.0	17.0

1/ As indicated by tax-paid removals. 2/ In addition to exports, tax-free removals include principally shipments to forces overseas, to United States possessions, and ships' stores. 3/ Includes output in bonded factories. 4/ Estimates based on July 1951-March 1952 indications.

Bureau of Agricultural Economics. Basic data but not the estimates compiled from reports of the United States Treasury and Commerce Departments.

Retail prices of cigarettes were advanced on November 1, 1951, to reflect the increase in the Federal excise tax rate from 7 to 8 cents per package. In the 6 months following the price increase, the gain in domestic consumption over the same period a year earlier was 3.1 percent. This is moderately less than the 3.6 percent gain in domestic consumption from May-October 1950 to May-October 1951. Retail prices of cigarettes in March 1952 were about 5 percent higher than a year earlier and nearly 10 percent higher than the pre-Korean average. In late July 1950, about a month after the outbreak of the Korean conflict, manufacturers' prices of cigarettes were raised. Also, several States have increased their cigarette tax rates in the past 2 years. In 1951, tobacco tax collections by 41 States, the District of Columbia, and the territories of Alaska and Hawaii totaled approximately 460 million dollars--about 15 million more than in 1950. Only 10 States tax tobacco products other than cigarettes, and a large proportion of total tobacco taxes collected by States comes from the cigarette taxes.

Tax-free removals of cigarettes, mostly for use by overseas forces and exports, are estimated at about 41 billion for 1951-52--8 percent more than in 1950-51. The number of tax-free cigarettes rose sharply in 1950-51 as large shipments went overseas following the outbreak of the Korean conflict. From 1949-50 to 1950-51, commercial exports of cigarettes declined a little; but in the current fiscal year, exports probably will be around 17 billion and exceed those in each of the previous 2 years. Cigarette exports are expected to continue at least as high as recent levels. In calendar year 1951, the total value of cigarettes exported from the United States to more than 100 different countries was 53 1/2 million dollars compared with 43 1/2 million dollars in 1950. The 1951 average value per thousand of exported cigarettes was $3.18--2.6 percent higher than the 1950 average.

Table 2.- Cigarette exports from the United States for specified periods

Country	Average 1934-38	1950 1/	1951 1/	1951 as percentage of 1950	January-March		
					1951 1/	1952 1/	1952 as percentage of 1951
	Million	Million	Million	Percent	Million	Million	Percent
Tangier & Fr. Morocco	12	1,394	1,850	133	370	593	160
Venezuela	39	1,055	1,700	161	392	481	123
Philippines, Rep. of	2,544	1,526	1,214	80	276	429	155
Hong Kong	22	1,143	1,199	105	272	138	51
British Malaya	3	434	1,154	266	265	159	60
Belgium	63	950	878	92	249	176	71
Switzerland	16	513	853	166	212	186	88
Netherlands Antilles	1,221	968	769	79	223	238	107
France	307	295	739	251	183	101	55
Panama & Canal Zone	389	616	658	107	160	199	124
Other countries	154	5,414	5,806	107	1,351	1,598	118
Total all countries	4,770	14,308	16,820	118	3,953	4,298	109

1/ Preliminary.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

Cigars

Cigar consumption in the United States for the fiscal year to end June 30, 1952, is estimated at 5,860 million--2.1 percent larger than in 1950-51 and 7.1 percent larger than in 1949-50. The continuation of personal income at a high level is expected to maintain cigar consumption at or slightly above this year's level. Cigars made in domestic factories probably

will account for nearly 97 percent of all cigars consumed, and those made exclusively from imported tobacco (mostly Cuban) in bonded factories will account for nearly all of the remainder. Cigars manufactured in bond have increased steadily in the past several years. Cigar shipments from Puerto Rico and cigar imports from the Philippine Republic continue to be insignificant and are far less than in pre-World War II years. Cigar imports from Cuba, although small in total, continued to gain in 1951-52 and are over four times as large as the 1935-39 average.

Table 3.- United States cigar consumption, 1/
Average 1935-39, 1946-52

Fiscal year	Large cigars originating in							
	United States factories			Bonded manufacturing warehouses 2/	Puerto Rico	Cuba	Philippines	Grand total
	Total	8 cents or less	Over 8 cents					
	Million	Million	Million	Million	Million	Million	Million	Million
Average 1935-39	5,026	4,496	530	48	34	3	186	5,297
1946	5,263	3,306	1,957	87	79	26	3/	5,455
1947	5,553	2,408	3,145	130	42	16	5	5,746
1948	5,535	2,334	3,201	138	4	10	1	5,688
1949	5,533	2,486	3,047	142	7	11	3/	5,693
1950	5,313	2,717	2,596	148	3/	11	3/	5,473
1951	5,558	2,843	2,715	168	3/	13	1	5,740
1952 4/	5,665	2,935	2,730	180	3/	14	1	5,860

1/ Computed from sales of stamps. 2/ manufactured under customs supervision from tobacco imported from any one country. 3/ Less than 1 million. 4/ Estimates based on July 1951-March 1952 indications.

Bureau of Agricultural Economics. Basic data but not the estimates are compiled from reports of the Bureau of Internal Revenue.

Of the cigars manufactured in domestic factories, nearly 52 percent fall in the price bracket of 8 cents or less with the remainder selling for more than 8 cents. Most of the increase from 1950-51 to 1951-52 is in the number of cigars selling in the 8-cent-or-less bracket. Contributing to this, has been the larger number of cigarillos--small thin cigars that usually sell for 5 cents each. Of the cigars made in bonded factories, probably over three-fifths sell for more than 15 cents each; and nearly all imported Cuban cigars sell for more than 20 cents.

As measured by indexes of the Bureau of Labor Statistics, manufacturers' prices of popular-priced cigars rose slightly in 1950 but dropped in October 1951 and remained 8 percent below their pre-Korean level through April 1952. The price index for medium-priced cigars, after being constant for nearly 5 years, declined 2 1/2 percent in October 1951 and was unchanged

through April 1952. The BLS price index for more expensive cigars advanced 3 1/2 percent in late 1950 but has been unchanged since that time. The index of manufacturers' prices of low-priced cigars has been the same since about mid-1948.

Between 1949-50 and 1950-51, tax-free removals of cigars jumped from 39 to 70 million. This reflected the much larger shipments for use of overseas forces following the outbreak of the Korean conflict. During July 1951-February 1952, tax-free removals of cigars were 53 percent larger than in the same period of a year earlier.

Commercial exports of cigars are relatively small and in 1951, numbered 3.4 million valued at $193,567. The Union of South Africa, Saudi Arabia, Canal Zone, Panama, Liberia, and Trinidad were the leading destinations

Smoking Tobacco

The output of smoking tobacco in the United States during the fiscal year ending June 30 is estimated at 100 million pounds--6 percent less than in 1950-51 and probably the lowest since the early 1900's. Domestic use accounts for about 95 percent of total output and tax-free removals for export and use of overseas forces, for most of the remainder. From 1949-50 to 1950-51, tax-free removals jumped 83 percent--reflecting mainly the larger shipments for overseas use following the outbreak of the Korean conflict. During July 1951-March 1952, tax-free removals were 8 percent less than in the same period of a year earlier.

Since World War II, use of smoking tobacco has held relatively stable at a level around 55 percent of the 1935-39 average. As long as consumer incomes remain relatively high, smokers are not likely to shift towards the less expensive pipe smoking or "roll-your-own" cigarettes.

The BLS index of manufacturers' prices for smoking tobacco rose comparatively little from mid-1950 through the third quarter of 1951. Then it advanced 8 percent between October and December 1951. The increase was not felt at the consumer level because of the reduction in the Federal excise tax from 18 cents to 10 cents per pound which became effective on November 1, 1951. The BLS index of manufacturers' prices in April 1952 was 12 percent above its pre-Korean level. From 1939 until mid-1950, the wholesale price of smoking tobacco had risen about 14 percent, a smaller percentage rise than for any other tobacco product.

Commercial exports of smoking tobacco in packages in 1951 totaled 680,409 pounds valued at $668,825. Volume was about 20 percent more than in 1950. Leading destinations were Canada, Sweden, France, and Hong Kong. The 1951 exports of bulk smoking tobacco were 1,872,637 pounds valued at $1,349,727. The volume was 30 percent more than in 1950, and leading destinations were Bolivia, Haiti, Philippine Republic, Dominican Republic, Spain, and Argentina.

Table 4.- Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average:							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
	Fiscal year						
July 1949-June 1950	108.7	41.3	5.5	2.8	39.5	89.1	40.7
July 1950-June 1951	106.0	40.1	5.1	2.8	39.7	87.7	40.4
July 1951-June 1952 1/	100.0	40.0	4.5	2.8	39.2	86.5	39.5

1/ Estimates based on July 1951-March 1952 indications.

Bureau of Agricultural Economics. Basic data but not the estimates compiled from reports of the Bureau of Internal Revenue.

Chewing Tobacco

Output of chewing tobacco in the United States during the fiscal year ending June 30 is estimated at about 86 1/2 million pounds--a decline of 1.4 percent from the preceding year and almost 3 percent from 1949-50. In the first 9 months of the current fiscal year, output of plug declined a little less than 2 percent below that in the same period of a year earlier, twist was down 14 percent, fine-cut was up slightly, and scrap was down 2 1/2 percent. The major chewing categories, plug and scrap, accounted for 46 and 45 percent, respectively, of total chewing tobacco.

Users in the United States consume about 98 percent of the chewing tobacco output. Tax-free removals for shipment to overseas forces rose sharply from 1949-50 to 1950-51, but those for commercial exports dropped. In July 1951-March 1952, total tax-free removals of chewing tobacco fell off 4 percent from those in the same period of 1950-51 as commercial exports continued to decline. The tax-free removals of plug decreased only a little, but tax-free twist declined sharply. In the past 2 years, tax-free removals of scrap chewing tobacco have risen very sharply above the relatively small 1949-50 figure.

The BLS index of manufacturers' prices for plug chewing tobacco advanced 11 percent berween October and December 1951. Since the reduction in the Federal excise tax from 18 cents to 10 cents per pound became effective on November 1, prices at the consumer level probably were not raised. Until late 1951, the index had not changed from its pre-Korean level. Between 1939 and mid-1950, the wholesale price of chewing tobacco rose about 30 percent.

In 1951, commercial exports of chewing tobacco totaled 1,374,265 pounds valued at $1,070,429. The volume was 9 percent less than in 1950 and its total value was about 7½ percent smaller. The leading destinations in 1951 were the Philippine Republic, Australia, Panama, and the French Pacific Islands. Australian takings were down sharply while the Philippine takings were more than doubled.

Snuff

The output of snuff in the United States in the fiscal year ending June 30, 1952, is estimated at 39½ million pounds--2 to 3 percent less than in each of the preceding 2 years. Snuff users in this country consume practically all of this country's output. Total snuff consumption in this country has shown a high degree of stability for many years. This means that consumption per capita, 15 years and over, has declined, since the number of people 15 years and over has increased steadily.

According to the BLS index, manufacturers' prices for snuff increased about 9 percent during the second half of 1950 and have continued near the higher level through April 1952 except in October-November 1951. Apparently, the reduction in the Federal excise tax from 18 cents to 10 cents per pound has resulted in lower prices of snuff beyond the manufacturers' level.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES. 1/

Exports of unmanufactured tobacco from the United States in the year ending June 30 are estimated at approximately 510 million pounds (about 575 million pounds farm-sales weight equivalent)--about 7 percent above the 477 million pounds in 1950-51 and the largest since 1946-47. Although the 1951-52 exports will be well above the average of the years just prior to World War II, they will be smaller than in a number of years in the 1920's. The record was 648 million pounds in 1919-20 and next highest was the 600 million pounds in 1929-30.

Much larger takings of flue-cured by the United Kingdom is the principal factor accounting for the increase of tobacco exports over 1950-51. In the first 9 months of the current fiscal year, total tobacco exports were over 13 percent larger than in the same period of 1950-51. Flue-cured, accounting for 87 percent of the total, was up 20 percent, but the next two most important export classifications, Burley and Kentucky-Tennessee fire-cured, were down 35 and 18 percent, respectively. Exports of Virginia fire-cured tobacco were also down but exports of Maryland, One Sucker,

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 5.- United States exports of unmanufactured tobacco, to principal importing countries, by types, for specified periods

(Declared weight)

Country and type	Average 1934-38	1950 1/	1951 1/	January-March Average 1934-38	January-March 1951 1/	January-March 1952 1/	1952 as percentage of 1951
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	324.9	383.9	433.8	68.0	63.4	71.3	112
Burley	11.6	37.6	25.2	3.4	5.0	4.3	86
Maryland	5.5	6.7	8.0	1.8	.9	1.3	144
Va. fire-cured	9.7	5.8	4.5	3.1	1.2	.9	75
Ky. & Tenn. "	53.7	24.0	29.2	15.7	7.6	6.7	88
One Sucker	.7	2.0	3.6	.1	.4	.4	100
Green River	3.0	1.2	1.9	1.1	.5	1.1	220
Black Fat, etc.	9.0	3.6	4.9	2.1	.7	.8	114
Cigar	1.3	7.3	6.9	.2	1.0	1.3	130
Perique	.1	.1	.1	2/	2/	2/	---
Stems, trimmings, and scrap	17.8	5.4	4.0	4.7	.6	1.0	167
Total	437.3	477.6	522.1	100.2	81.2	89.1	110
Country of destination							
United Kingdom	213.9	133.1	223.4	37.4	12.7	16.0	126
France	21.0	8.5	10.0	8.4	3.0	1.4	47
Belgium	15.5	27.7	29.6	3.6	7.1	4.4	62
Netherlands	15.6	32.2	24.3	4.4	6.2	7.4	119
Germany	12.6	81.8	47.7	2.8	8.7	7.5	86
Portugal	4.8	7.5	6.0	1.2	.4	1.1	275
Denmark	4.6	14.8	9.1	.8	1.7	2.2	129
Ireland	7.4	17.6	17.6	1.7	5.1	7.1	139
Switzerland	3.8	14.4	12.4	1.0	2.8	1.8	64
Norway	4.7	7.7	6.6	.9	.7	1.3	186
Sweden	7.2	13.7	15.0	1.9	1.4	1.4	100
Italy	1.1	2.6	2.2	.2	2/	2/	---
China	48.2	.3	.0	13.2	.0	.0	---
Australia	18.4	18.1	20.3	4.9	7.3	6.0	82
India-Pakistan	2.6	5.5	6.1	.6	3.2	2.3	72
New Zealand	2.5	6.5	7.1	.7	1.7	1.4	82
Philippine Rep.	1.2	27.1	9.5	.3	.3	7.7	3/
Other countries	52.2	58.5	75.2	16.2	18.9	20.1	106
Total	437.3	477.6	522.1	100.2	81.2	89.1	110

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Nearly 26 times as much.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

Green River, Black Fat, and cigar wrapper increased. Exports of cigar binder were only slightly less in July 1951-March 1952 than in the same period of 1950-51 and cigar filler exports continued to be relatively small.

The export demand for 1952 crop tobacco, particularly flue-cured, will be weaker than last season because Britain and perhaps some other Commonwealth countries will buy less. In late January, the British Government announced that it intended to save 61.6 millions in dollar expenditures for tobacco. No details were given as to how this would affect the takings from the United States and Canada. In 1951-52, 145.9 million United States dollars and 21.5 million Canadian dollars were allocated for tobacco imports. On the basis of the announcement, it would appear that from about 30 to 40 percent less tobacco will be taken by Britain in the coming season than last.

The cut in British tobacco buying in prospect for the coming season has resulted in an arrangement between the Commodity Credit Corporation, the grower's cooperatives, and United Kingdom buyers, which provides for CCC financing of a substantial amount of flue-cured to be held here under option for British manufacturers. This will make it possible to have tobacco ready for shipment at a later time.

At the conference of Commonwealth Finance Ministers in January, the seriousness of the sharp drain in gold and dollar reserves of the sterling area as a whole was recognized, and it was agreed that corrective measures should be brought to the attention of the respective governments. Measures to be recommended were to combat inflation, increase exports and earning power, use long-term borrowing in cases where practicable, and to temporarily reduce imports to the extent necessary. In addition to the United Kingdom, the sterling area countries include such important foreign outlets for United States tobacco as Ireland, Australia, New Zealand, India, Pakistan, and Ceylon. Also, included in the sterling area are British colonies, Trust Territories, and Protectorates. It is reported that Australia will reduce imports of unmanufactured tobacco by 40 percent based on the balue of orders placed in its fiscal year 1950-51. The United States supplied about two-thirds of the leaf going to Australia in 1950-51.

In the last half of 1951, the sterling area gold and dollar reserves held in London dropped from 3,867 million dollars to 2,335 million dollars. Losses continued during the first quarter of 1952 but at a considerably slower rate than in the preceding quarter; and at the end of March, these reserves stood at 1,700 million dollars. It is expected that the drain will be halted and reversed during the remainder of 1952. In January, the Commonwealth Finance Ministers deemed it imperative that at least a balance between the sterling area and the dollar area be achieved in the second half of 1952.

In general, the picture is somewhat more favorable in several other countries of the world. At the end of 1951, the combined gold and dollar holdings of Belgium Luxembourg (and Belgian Congo), the Federal Republic of Germany, Portugal, Sweden, and Indonesia were notably larger than a year earlier. Gold and dollar holdings of Switzerland remained comparatively stable and those of Netherlands were only a little lower. All of the above countries import substantial quantities of tobacco from this country.

Financial assistance extended abroad by the United States for the purpose of military assistance and defense support is again likely to be significant in 1952-53. The major share will be for direct military aid, but the program, in its entirety, will make it possible for the recipient countries to go ahead with their defense programs with considerably less strain on and disruption to their economies than would otherwise be the case. In view of this, imports of tobacco by a number of countries other than the United Kingdom may be kept at levels fairly near those of recent years. In some countries where the economic conditions are more favorable, there may be some increase in takings. Stocks of United States tobacco in many countries are still low relative to consumption levels.

There are adequate supplies of U. S. tobacco now available and in prospect. Tobacco prices appear to be pretty well stabilized after showing significant increases in the past 2 years. The price advances from 1949 to 1951 are reflected in the increases in the average values per pound of exported tobacco shown in table 6.

Important foreign countries that produce flue-cured tobacco for export include Southern Rhodesia, Canada, and India. The record 1951-52 crop of Southern Rhodesian flue-cured, estimated at 115 million pounds (farm-sales weight), is now being marketed. This crop is much larger than the drought-reduced crop of 1950-51 and 10 percent larger than the previous record crop of 1949-50. According to the agreement between Southern Rhodesian growers and United Kingdom manufacturers, British purchases should total 75 million pounds. The 1951-52 flue-cured outturn in India has been estimated at 95 million pounds--9 percent less than in 1950-51 and about the same as in 1949-50. In Canada about 97 percent of the flue-cured production is in Ontario. The flue-cured Tobacco Marketing Board of Ontario is restricting 1952 production in Ontario to about 78,000 acres--a decrease of over 25 percent from last year's record acreage. The total 1951 crop of Canadian flue-cured was a record 141.6 million pounds--30 percent above the 1950 production. The 1951 Ontario flue-cured crop probably averaged a little over 44.5 cents per pound--the minimum fixed by the Price and Appraisal Committee of the Flue-cured Marketing Association of Ontario.

British Tobacco Situation

British consumers spent 801 million pound sterling on tobacco products in 1951--4.4 percent more than in 1950. This reflected mostly an increase in the volume of consumption (about 3 percent) and a small increase in prices. The tobacco expenditures amounted to about 8 percent of personal income. The British Government collected about 623 million pound sterling in tobacco revenues in 1951--equivalent to nearly 78 percent of the total expenditure figure.

Although the British Government is cutting 1952 imports of tobacco, consumption is expected to be fairly well maintained largely by drawing down stocks. The British budget for 1952-53 indicates almost as large a collection of revenue from tobacco as in 1951-52. In the British 1951-52 fiscal year (April-March), Government receipts from tobacco totaled about one-seventh of total Government revenues.

Table 6.- Average value per pound of tobacco exports from the United States, by kind, and by leading countries of destination 1/, 1949-51

Kind of tobacco and country of destination	1949	1950	1951	Kind of tobacco and country of destination	1949	1950	1951
	Cents	Cents	Cents		Cents	Cents	Cents
Flue-cured (unstemmed)	49.8	52.4	63.6	Ky.-Tenn. fire-cured			
1. United Kingdom	55.6	63.6	65.9	(unstemmed)	37.1	40.5	39.5
2. Germany	30.2	37.7	53.6	1. France	31.5	34.9	36.7
3. Belgium	30.3	32.2	43.8	2. Netherlands	39.9	40.8	41.8
4. Australia	68.2	70.1	71.4	3. Belgium	32.2	31.9	35.0
5. Ireland	57.3	59.8	66.0	4. Spain	---	---	12.7
6. Netherlands	28.0	33.0	45.7	5. Switzerland	43.2	45.8	43.3
7. Sweden	50.4	70.7	74.4	6. United Kingdom	50.0	39.4	42.9
8. Indonesia	51.3	54.9	63.6	7. French West Africa	41.5	41.4	44.7
9. Philippine Rep.	23.3	26.9	62.1	8. Ireland	40.7	38.6	49.1
10. New Zealand	72.1	70.9	74.5	9. Italy	69.4	66.6	72.8
11. Denmark	43.5	49.4	58.5	10. Germany	35.3	42.4	38.8
12. Siam	57.6	59.8	71.6	11. Algeria	35.0	29.1	39.0
13. Switzerland	50.6	50.7	62.0	12. Tunisia	31.4	26.8	30.8
14. India 2/	102.5	116.4	106.6	Dark Va. (unstemmed)	53.0	44.7	58.5
15. Norway	61.5	62.0	65.4	1. Norway	54.5	52.2	55.4
16. Hong Kong	79.6	67.3	73.8	2. United Kingdom	56.9	48.0	50.1
17. Egypt	66.0	54.6	68.8	3. Switzerland	60.3	50.6	63.3
18. Finland	37.7	40.9	56.9	4. Austria	63.8	68.4	71.9
19. French Indochina	55.9	62.2	71.1	5. New Zealand	60.5	58.4	67.2
20. Uruguay 2/	93.3	106.0	112.0	6. Germany	46.7	58.4	66.1
Burley (unstemmed)	39.2	38.7	45.4	7. Trinidad 2/	65.8	62.4	67.8
1. Germany	33.5	36.9	43.0	Wrapper	168.8	178.2	175.9
2. Portugal	32.8	32.7	34.4	1. Germany	123.7	127.7	128.4
3. Belgium	30.8	30.5	32.9	2. Canada	497.6	458.8	434.9
4. Sweden	66.2	57.4	73.7	3. Denmark	226.9	245.9	144.9
5. Denmark	42.7	38.9	42.9	4. Netherlands	162.6	214.9	179.9
6. Netherlands	33.5	31.3	33.9	5. Brazil	304.0	280.6	340.5
7. Austria	44.3	32.5	36.8	6. Austria	178.9	233.1	152.9
8. Norway	57.7	46.6	63.0	7. Belgium	203.9	171.4	170.1
9. Philippine Rep.	50.0	29.8	46.3	Binder	90.9	84.8	86.3
10. Spain	---	---	22.2	1. Germany	95.3	78.4	87.6
Maryland (unstemmed)	62.3	66.7	65.4	2. Belgium	91.5	80.1	78.0
1. Switzerland	72.6	76.6	80.5	3. Netherlands	42.7	71.5	64.6
2. France	69.4	81.8	76.6	4. Denmark	63.9	126.1	110.4
3. French Morocco	24.8	53.3	28.7	5. Austria	104.8	94.2	94.7
4. Tunisia	25.7	39.6	30.9	6. Sweden	120.0	77.8	99.2
5. Spain	41.2	43.3	24.9	Filler	33.7	37.1	31.5
6. Netherlands	21.7	31.1	33.2	1. Algeria	26.7	30.3	28.8
7. Belgium	30.6	27.9	61.0	2. Belgium	33.7	27.8	30.3
One Sucker (unstemmed)	39.4	55.6	46.4	3. Tunisia	25.7	---	28.3
1. Nigeria	68.5	71.2	78.3	Black Fat	55.9	59.1	58.1
2. Spain	---	---	20.7	1. Nigeria	63.1	66.5	68.0
3. Belgium	31.5	28.2	28.3	2. French West Africa	40.6	45.0	43.0
4. Netherlands	26.6	23.8	31.2	3. Gold Coast	63.2	63.2	69.0
5. Tunisia	27.8	26.1	34.2	4. French Eq. Africa	42.0	48.9	44.8
6. Liberia	49.6	51.9	52.8	5. W. Portuguese Af.	43.2	44.6	47.2
Green River (unstemmed)	32.4	44.9	27.7	6. Cameroon	45.3	42.0	45.8
1. Spain	---	---	12.9	7. Canary Islands	53.3	45.0	32.9
2. United Kingdom	37.3	45.7	35.0	Perique	93.5	78.2	83.6
3. Liberia	48.9	51.0	56.1	1. United Kingdom	111.1	87.5	85.7
4. Belgium	28.1	33.9	33.9				

1/ Leading countries are ranked according to volume of each kind of tobacco exported to them in 1951. Numerous other countries took smaller quantities. 2/ Stemmed.

Stocks of tobacco in Britain were substantially increased in the past year mainly by the much heavier purchases from the United States in 1951. At the end of February 1952, they stood at 469 million pounds--10 percent larger than at the end of February 1951. Even with such an increase, the ratio of stocks to gross withdrawals for domestic consumption and exports is well below the average of pre-World War II years. Smaller imports in 1952 from the United States will mean a sizable reduction in stocks of United States tobacco in England by early 1953.

Table 7.- United Kingdom tobacco: Stocks, imports, consumption, and exports, average 1934-38, annual 1939-51

Year	Stocks Dec. 31	Imports 1/		Retained for home consumption			Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
		Total	From United States	Non-preferential 2/	Preferential 2/	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1934-38	497	275	213	132	39	171	39	12
1939	514	212	128	151	48	199	30	14
1940	328	141	59	141	50	191	27	2
1941	259	214	129	153	69	222	17	1
1942	238	265	180	157	76	233	18	2
1943	310	354	291	165	56	221	18	4
1944	243	230	180	173	47	220	37	1
1945	278	369	310	183	48	231	37	13
1946	383	433	366	193	55	248	55	7
1947	384	296	201	173	51	225	52	1
1948	390	281	172	153	61	214	45	1
1949	420	302	154	139	72	211	47	2
1950 3/	442	306	144	132	82	214	43	4
1951 3/	4/505	355	212	130	91	221	51	7

1/ Unmanufactured tobacco--Imports of manufactured tobacco products have generally been small relative to imports of unmanufactured tobacco.
2/ Tobacco imported from non-preferential areas comes in at full duty rate while that imported from preferential areas (Commonwealth origin) comes in at a lower rate of duty. At present, the preferential rate is only about 3 percent below the full duty rate, but from 1931 to 1939, it was over 20 percent below the full duty rate.
3/ Subject to revision.
4/ Stocks on February 28, 1952, were 469 million pounds; on February 28, 1951, 428 million pounds.

During the 9 months ending March 31, 1952, the United Kingdom imported 344 million pounds of unmanufactured tobacco--30 percent more than in July 1950-March 1951. Imports from the United States at 219 million pounds were 65 percent larger while the 40 million pounds from Southern Rhodesia (second ranking source) were 34 percent smaller. Imports from the third ranking supplier, India, at 29 million pounds were 5 percent smaller than in the same months of 1950-51 but those from Canada at 28 million pounds were up 78 percent. A similar comparison for British imports from Nyasaland showed a 14 percent increase while those from Turkey were 7 percent below the relatively small 1950-51 figure.

During July 1951-March 1952, British exports of manufactured tobacco (95 percent cigarettes)totaled 42 million pounds--one-third more than in the same period of 1950-51. The major outlets for British-made cigarettes are Singapore, Malaya, Australia, Belgian Congo, Germany, Gold Coast, and Egypt. It is reported that Australia will reduce cigarette imports (the great bulk of which comes from Britain) sharply below the 1950-51 level. There are numerous other destinations to which British cigarettes are exported but over three-fourths of total 1951 shipments of cigarettes went to those in the Commonwealth group.

Re-exports of unmanufactured tobacco from Britain in July 1951-March 1952 amounted to 5 million pounds, 7 percent less than in the same period of a year earlier.

IMPORTS AND UNITED STATES STOCKS OF FOREIGN GROWN TOBACCO 2/

The 1951 tobacco imports for consumption by this country totaled 105 million pounds--16 percent larger than in 1950 and a record high. The preponderant share of the increase from 1950 to 1951 was in the cigarette leaf classification.

During the first quarter of 1952, total tobacco imports were 5 percent larger than in the first quarter of 1951. Cigarette leaf imports were up 3 percent with leaf from Greece, Bulgaria, and Syria accounting for the gain. Cigarette leaf from Turkey held nearly the same as in the first quarter of 1951 and accounted for 70 percent of all imports of cigarette leaf. On April 1, 1952, stocks of foreign grown cigarette and smoking tobacco in this country were about 176 million pounds compared with 172 million pounds on April 1, 1951, and 152 million pounds on April 1, 1950.

The 1952 first quarter imports of cigar filler were up 8 percent from those in the same quarter of last year. The increase was largely due to the substantial imports of stemmed filler from the Philippines in February 1952. Imports of cigar filler from the main supplier, Cuba, held even but scrap from Cuba was up about one-fourth. On April 1, 1952, stocks of Cuban tobacco in the United States totaled 17.8 million pounds compared with 15.7 million pounds on April 1, 1951, and 18.8 million on April 1, 1950.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 8.- United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average 1934-38	1950 1/	1951 1/	January-March: Average 1934-38	January-March: 1951 1/	January-March: 1952 1/	1952 as percentage of 1951
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Total imports 2/	66.3	90.0	104.7	14.7	24.6	25.8	105
Cigarette leaf							
Unstemmed	44.4	67.6	81.3	10.5	18.6	19.1	103
Turkey	18.2	48.3	53.0	4.1	13.5	13.4	99
Greece	18.8	9.6	12.4	4.6	2.8	3.1	111
Syria	.6	3.7	4.0	.1	.8	1.0	125
Bulgaria	.6	1.2	3.0	.2	.1	.4	400
U.S.S.R.	.1	2.4	6.1	3/	.7	.4	57
So. Rhodesia	3/	1.3	.6	3/	.2	.2	100
Yugoslavia	.0	.3	.3	.0	.1	.1	100
Cigar leaf (filler)	11.3	15.5	15.8	2.9	4.0	4.3	108
Cuba	11.2	15.2	15.0	2.8	3.9	3.9	100
Stemmed	7.1	11.3	10.9	1.7	2.9	2.9	100
Unstemmed	4.1	3.9	4.1	1.1	1.0	1.0	100
Scrap	6.2	5.3	6.1	1.3	1.6	2.0	125
Cuba	2.9	5.1	6.0	.8	1.6	2.0	125
Philippines	3.2	.2	.0	.5	---	---	---
Cigar wrapper	2.1	1.1	1.2	.4	.4	.4	100
Indonesia	4/1.9	.8	.9	4/.4	.3	.3	100
Cuba	.2	.3	.3	3/	.1	.1	100
Total from Cuba	14.3	20.7	21.3	3.6	5.5	6.0	109

1/ Preliminary. 2/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately. 3/ Less than 50,000 pounds. 4/ Formerly shown as originating in Netherlands Indies or Netherlands.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

Cigar wrapper imports gained a little in calendar year 1951 but held about even in the first quarter of 1952 compared with the first quarter of 1951. The April 1 stocks of Sumatra and Java leaf (not including that stored in the Free Trade Zone) was about .5 million pounds--moderately less than a year earlier but twice as much as 2 years earlier.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

1952-53 Supplies

According to farmers' intentions on March 1, about 1,121,600 acres of flue-cured will be grown in 1952, slightly more than in 1951 when the acreage was the largest since 1947. Acreage allotments totaled a little more this year but on the great majority of farms, were unchanged from last year. If yields per acre should equal the 1947-51 average, production would be about 1,385 million pounds; while if yields per acre should equal the relatively high 1949-51 average, production would approximate 1,425 million pounds. Based on either average yield, the production would be second only to last year's record crop of 1,452 million pounds.

Carry-over of flue-cured on July 1, 1952, is expected to be about 1,750 million pounds--12 percent above the July 1, 1951, carry-over. The prospective 1952-53 total supply--carry-over plus production--may be around 3,175 million pounds--5 percent higher than the 1951-52 level and above that for any previous year. Such a 1952-53 supply would be 2.6 times projected disappearance in 1952-53. In the 5 previous years, this ratio varied between about 2.3 and 2.5.

Domestic Use and Exports

During the current marketing year (July 1951-June 1952), the domestic use of flue-cured is estimated at a record 775 million pounds compared with 756 million in 1950-51. This estimated high domestic use largely reflects the record cigarette output during the 1951-52 fiscal year. Cigarette output during 1952-53 is expected to continue high and domestic use of flue-cured probably will be as large or larger than in 1951-52.

Flue-cured exports during the marketing year ending June 30, 1952, are expected to approach 490 million pounds (farm-sales weight)--one-seventh larger than in 1950-51. This would be the second largest exports in 21 years. The 1946-47 total of 553 million pounds was a record. Two other years when flue-cured exports exceeded the estimate for 1951-52 were 1929-30 and 1930-31. Prior to 1923, historical series do not give a breakdown for the different kinds of tobacco, but very large quantities were shipped in 1919-20 and 1920-21.

Flue-cured exports in 1952-53 will be smaller than in 1951-52 primarily because of the cut in imports by the United Kingdom. Also, other important foreign outlets for flue-cured in the Commonwealth sterling area have joined Britain in the effort to restore gold and dollar reserves.

MAY 1952

Table 9.- Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av.1934-38	741	845	1,586	704	338	366	22.9
1939	1,171	946	2,117	707	417	290	14.9
1940	760	1,410	2,170	577	421	156	16.4
1941	650	1,593	2,243	783	492	291	28.1
1942	812	1,460	2,272	893	604	289	38.4
1943	790	1,379	2,169	980	625	355	40.2
1944	1,087	1,189	2,276	1,150	696	454	42.4
1945	1,173	1,126	2,299	1,152	667	485	43.6
1946	1,352	1,147	2,499	1,212	659	553	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	720	382	49.6
1949	1,115	1,538	2,653	1,168	729	439	47.2
1950	1,257	1,485	2,742	1,184	756	428	54.7
1951 2/	1,452	1,557	3,009				52.4

1/ Year beginning July 1.
2/ Subject to revision.

Note: Beginning 1944-45 domestic disappearance and exports data are revised.

During July 1951-March 1952, flue-cured exports topped those of the same period of 1950-51 by nearly 20 percent. Shipments to the United Kingdom were more than 1-1/2 times those of July 1950-March 1951 and accounted for 55 percent of total flue-cured exports. The exports to Germany, the next largest outlet, were down sharply--48 percent. The next ranking outlets were Ireland, Australia, Belgium, Philippine Republic, Netherlands, Sweden, Indonesia, Denmark, New Zealand and Siam. Each took more in July 1951-March 1952 than in the same period of a year earlier except Netherlands and Denmark. Among the other foreign destinations getting more were Hong Kong, France, Egypt, Taiwan (Formosa), Pakistan, Ceylon, British East Africa, Nigeria, Malta, and Spain. Among others getting less were Switzerland, India, Norway, Austria, Portugal, French Indochina, Uruguay, and Palestine. Finland and Salvador took practically the same amount in both periods.

In the current fiscal year, the financing of tobacco procurement by the ECA and its successor, the Mutual Security Agency, has been only a small fraction of what it was in each of the 3 previous years. In the fiscal year ending June 30, 1951, ECA authorizations for flue-cured totaled about 115 million dollars. During the current fiscal year, authorizations have totaled only about 11 million dollars. Authorizations amounting to $1,580,000 for roughly 2.4 million pounds of flue-cured were announced in December 1951 and January 1952 for France, Austria, and Indochina. In March and April of this year, MSA approved authorization to Germany of $7,924,000 for about 14.2 million pounds of flue-cured and in late May $889,000 to Denmark was approved.

Prices

The season average price for the 1952 flue-cured crop is not likely to be much different than the 52.4 cents per pound received for the 1951 crop. Demand by purchasers for domestic uses is expected to continue strong but export demand will be weaker. Government price support seems likely to be quite close to the 50.7 cents per pound level of last season. On March 10, the Department announced that the minimum level at which the 1952 flue-cured crop would be supported is 50.6 cents. The actual level of support will be 50.6 cents or 90 percent of the July 1 parity price, whichever is higher. Ninety percent of the May 15 parity for flue-cured was 50.8 cents per pound. The parity index (prices paid by farmers, interest, taxes, and farm wage rates) in April-May, was higher than at any previous time.

The 1951 crop season average was 4 percent lower than the 1950 season average although prices of a large number of the individual grades were higher in 1951 than in 1950. The grade composition of the 1951 crop indicated quality was not as good as that of the 1950 crop. If the grade composition is better this year, the price average for the crop as a whole probably will not be far different from that of last year, even if some grade prices should show a decline.

The quantities of flue-cured placed under Government loan in the past 6 seasons, together with the quantities remaining under loan, are shown in table 10.

Table 10.- Flue-cured price support operations, 1946-51

(Farm-sales-weight equivalent)

Marketing season	Flue-cured placed under Government loan: Quantity	Flue-cured placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on April 30, 1952 1/
	Million pounds	Percent	Million pounds
1946	66.5	4.9	None
1947	232.3	17.6	None
1948	106.1	9.7	5.6
1949	103.5	9.3	None
1950	77.6	6.2	49.1
1951	142.4	9.8	128.7

1/ Actual loan stocks in terms of packed weight are 11 or 12 percent less than their equivalent farm-sales weights shown in this column.

Burley, Type 31

1952-53 Supplies

According to farmers' intentions on March 1, about 469,300 acres of Burley will be grown in 1952--almost 3 percent more than in 1951 and the largest since 1946. This year's acreage allotments totaled very slightly more than last year's and it appears that a larger proportion of the total allotted acreage will be grown. Yields per acre of Burley in the years 1947-51 and also in 1949-50, averaged close to 1,275 pounds per acre. If 1952 yields should equal that level, total production will be close to 600 million pounds--2 to 3 percent lower than last year's record crop of nearly 617 million pounds.

Table 11.- Burley tobacco, type 31: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	287	701	988	314	302	12	22.2
1939	395	684	1,079	317	305	12	17.3
1940	377	762	1,139	341	335	6	16.2
1941	337	798	1,135	380	374	6	29.2
1942	344	755	1,099	413	407	6	41.8
1943	392	686	1,078	427	418	9	45.6
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	560	974	1,534	534	493	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951 2/	617	981	1,598				51.2

1/ Year beginning October 1. 2/ Subject to revision.

Carry-over of Burley on October 1, 1952 (beginning of the 1952-53 marketing year), is expected to be about 1,075 million pounds--nearly 10 percent larger than on October 1, 1951. The 1952-53 total supply--carry-over plus production--may be around 1,670 million pounds--4 1/2 percent above the 1951-52 level and above that for any previous year. Such a 1952-53 supply would be 3.1 times projected disappearance in 1952-53. In the 5 previous years, this ratio varied between about 2.7 and 3.0.

Domestic Use and Exports

During the year ending September 30, 1952, domestic use of Burley seems likely to be around 495 million pounds compared with 488 million in 1950-51. The high rate of cigarette manufacture will continue to require large quantities of Burley. In the last quarter of 1951, cigarette output was much higher than in the final quarter of 1950 but in the first quarter of 1952, showed only a small gain above the same period of 1952. The total for October 1951-March 1952 was nearly 8 percent above the same period of a year earlier. Other domestic uses of Burley are in the manufacture of smoking and chewing tobacco. Output of smoking tobacco in October-March dropped 7 percent below that in the same period of 1950-51. Production of plug chewing was just about the same.

Exports of Burley dropped from 41 million pounds (farm-sales weight) in 1949-50 to 30 million pounds in 1950-51. Tentative estimates indicate about 30 million pounds again for 1951-52. During the first half of the current marketing year, Burley exports were a little over 10 percent lower than in the same period of 1950-51. The six ranking foreign outlets in the October 1951-March 1952 period were Sweden, Belgium, Germany, Portugal, Norway, and Denmark. Sweden, Belgium, Portugal, and Norway increased their takings, but less went to Germany and Denmark. In March and April, the Mutual Security Agency approved procurement authorizations for about 2 million dollars for around 4 million pounds of Burley for Germany. Portugal got much more than the unusually small amount in the same period of 1950-51. In October 1951-March 1952, only negligible amounts, if any, went to France, Italy, and Spain, each of which took significant quantities in 1950-51. There was a very sharp drop in Burley shipments to Mexico and Austria, and also, less went to Switzerland, Egypt, and the Philippine Republic. More went to the United Kingdom, Netherlands, Finland, and Australia.

Prices

The season average price for the 1951 Burley crop was 51.2 cents--4 1/2 percent higher than the 1950 season average and above any previous year's. The price support level last season was 49.8 cents per pound. Demand for the cigarette grades is expected to be quite strong again in the 1952 marketing season.

On March 10, the Department announced the minimum level at which the 1952 crop of Burley would be supported is 49.5 cents per pound. The actual level of support will be 49.5 cents per pound or 90 percent of the October 1 parity price, whichever is higher. Ninety percent of the May 15 parity for Burley was 49.7 cents per pound. The parity index (prices paid by farmers, interest, taxes, and farm wage rates) in April and May was above the level for any previous months. If this index should advance further by September 15, the 1952 Burley support level will be raised in about the same proportion.

The quantities of Burley placed under Government loan in the past 6 seasons, together with the quantities remaining under Government loan, are shown in table 12.

Table 12.- Burley price support operations, 1946-51

(Farm-sales-weight equivalent)

Marketing season	Burley placed under Government loan: Quantity	Burley placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on April 30, 1952 1/
	Million pounds	Percent	Million pounds
1946	147.8	24.1	None
1947	37.7	7.8	None
1948	96.7	16.0	None
1949	39.1	7.0	4.4
1950	44.2	8.9	39.3
1951	97.5	15.8	95.7

1/ Actual loan stocks in terms of packed weight are 10 or 11 percent less than their equivalent farm-sales weights shown in this column.

Maryland, Type 32

1952-53 Supplies

The 1952 prospective acreage of Maryland tobacco, as indicated by March 1 farmers' intentions is 51,000, second only to last year's record of 52,000. Acreage allotments are not in effect on Maryland tobacco. If the 1952 yield per acre should be equal to either the 1947-51 average or the 1949-51 average, the 1952 crop will be near 41 million pounds compared with 41.6 million pounds for the 1951 crop which was the second largest on record.

Carry-over of Maryland tobacco on October 1, 1952, is estimated at about 70 million pounds--9 percent above that of last October and above the October level of any previous year. The prospective 1952-53 total supply--production plus carry-over--seems likely to exceed 110 million pounds compared with nearly 106 million for the current year. Such a supply would be about 3.1 times the average disappearance for recent years.

Domestic Use and Exports

The major outlet for Maryland tobacco is in cigarettes made in this country. Cigaretts production is expected to continue at a high level The domestic use of Maryland has been quite stable over the last 5 years while cigarette output gained about 13 percent from 1946-47 to 1950-51. Domestic use of Maryland in the year ending September 30 is estimated at 27 or 28 million pounds--about in the same range as in the preceding 4 years.

Exports of Maryland tobacco seem likely to be near 9 million pounds (farm-sales weight) for the year ending September 30 compared with 8.4 million in 1950-51. During the first half of the current year, exports of

Maryland tobacco were 8 percent larger than in the comparable period of 1950-51. Switzerland, accounting for 63 percent of the total, took about 3 percent more than in October 1950-March 1951. The second ranking foreign outlet for Maryland in the recent 6 months was Tunisia which got substantially more than a year earlier and next was French Morocco, which took a little more. Other countries taking larger amounts are Belgium and Spain but less went to Germany, Netherlands, and Denmark.

Table 13.- Maryland tobacco, type 32; Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	27.5	41.3	68.8	26.5	21.1	5.4	19.7
1939	32.8	41.4	74.2	26.5	22.6	3.9	21.1
1940	32.6	47.7	80.3	28.5	25.9	2.6	33.0
1941	31.2	51.8	83.0	27.2	26.1	1.1	30.1
1942	28.1	55.8	83.9	34.4	32.2	2.2	56.5
1943	20.8	49.5	70.3	25.1	23.8	1.3	45.3
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8
1948	35.0	56.0	91.0	37.0	27.7	9.3	54.4
1949	41.2	54.0	95.2	35.4	28.0	7.4	48.3
1950	40.0	59.8	99.8	35.5	27.1	8.4	48.3
1951 2/	41.6	64.3	105.9				3/

1/ Year beginning October 1. 2/ Subject to revision. 3/ Auction market average for sales during May.

Prices

Auctions markets for the 1951 Maryland crop began on May 6 of this year. Auction sales through May totaled 9.9 million pounds and averaged 44.0 cents per pound compared with 8.8 million pounds and 50.9 cents per pound in May 1951. The prices for individual grades have been generally lower than those in the corresponding period of last season. However, the improved quality of the offerings has held the over-all average to about a 14 percent drop below the May average of last year. The 1950 crop of Maryland (sold last season) had a larger than usual proportion of low quality tobacco and a smaller proportion than usual of "thin crop."

Government price support is not available on Maryland tobacco this season, although Government loans were made during the auction seasons for the 1948, 1949, and 1950 crops. Growers disapproved a marketing quota on their 1951 crop in a referendum held in November 1950 and, in accordance with the law, prices cannot be supported. Again in December 1951, Maryland growers disapproved a marketing quota on their 1952 crop--and therefore, when the 1952 crop is marketed in the spring and summer of 1953, a Government price support program cannot be made available. The applicable legislation provides that if a quota should be in effect on Maryland tobacco, prices must be supported at 90 percent of parity.

The quantities of Maryland tobacco placed under loan during the three seasons of price support operations, together with the quantities remaining under loan, are shown in table 14.

Table 14.- Maryland tobacco price support operations, 1948-50 crops (Farm-sales-weight equivalent)

Marketing season 1/	Maryland tobacco placed under Government loan		Remaining in Government loan stocks on April 30, 1952 2/
	Quantity	Proportion of total crop	
	Million pounds	Percent	Million pounds
1949	3.0	8.6	1.6
1950	2.6	6.3	1.0
1951	5.5	13.8	5.3

1/ Maryland tobacco grown in one year is auctioned in the spring and summer of the following year. 2/ Actual loan stocks in terms of packed weight are about 2 percent less than their equivalent farm-sales weight.

The Baltimore hogshead market began its selling season on May 8. Receipts on this market through May 31 amounted to 1.8 million pounds.

Fire-Cured, Types 21-23

1952-53 Supplies

The prospective acreage of fire-cured tobacco, as indicated by reports of farmers' intentions on March 1, is 51,200 compared with 49,000 acres harvested in 1951, the lowest in many years. Individual farm allotments remained about the same, but a higher proportion of the allotted acreage probably will be grown this year than last. If yields per acre should equal the 1949-51 average, the 1952 production would be nearly 60 million pounds compared with 59.5 million last year. A 1952 average yield per acre equal to the 1947-51 average would mean about 1 million pounds less than the 1951 harvest. Carry-over of fire-cured on October 1, 1952 (beginning of the 1952-53 marketing year), is expected to be around 137 million pounds--approximately 7 percent lower than on last October 1 and the lowest since 1947. The prospective 1952-53 total supply--carry-over plus production--is approximately 197 to 200 pounds or about 5 percent smaller than for 1951-52 and the lowest since 1945-46.

Domestic Use and Exports

During the current marketing year, October 1951-September 1952, domestic use of fire-cured is estimated at about 36 million pounds--or practically the same as in 1950-51. Snuff is the major domestic outlet for fire-cured tobacco. Snuff manufacture during the first half of this marketing year was very close to that in the corresponding period of 1950-51.

Fire-cured exports during the current marketing year seem likely to be between 30 and 35 million pounds (farm-sales weight) compared with nearly 40 million in 1950-51. During October 1951-March 1952 (first half of the 1951-52 marketing year), total fire-cured exports were down about one-eighth from those in the corresponding period of a year earlier. Kentucky-Tennessee fire-cured tobacco exports (accounting for over 85 percent of the fire-cured total) were down 13 percent. The five ranking foreign outlets for Kentucky-Tennessee fire-cured tobacco during the 6 months were Switzerland, France, Sweden, Netherlands, and Belgium. No Kentucky-Tennessee fire-cured went to France, much less went to Switzerland and Sweden, moderately less to Belgium, but more went to Netherlands. Among other countries which took less were Norway, Denmark, and French West Africa; but those getting more Kentucky-Tennessee fire-cured were United Kingdom, Ireland, Germany, Portugal, Cameroon, French Equatorial Africa, and Algeria.

In October 1951-March 1952 compared with the same months a year earlier, exports of Virginia fire-cured were down 22 percent. Such important foreign outlets for this type as Norway, Sweden, United Kingdom, Switzerland, and New Zealand, each took smaller quantities but Australia, Germany, and Belgium, each took more. Austria got a substantial amount in the October 1951-March 1952 period contrasted with none in the same months of a year earlier.

In the current fiscal year through April, the ECA and its successor agency, MSA, approved procurement authorizations amounting to $650,000 for approximately 1.3 million pounds of fire-cured leaf--about one-half for Germany and one-half for Austria.

Prices

Growers of fire-cured tobacco probably will receive prices for their 1952 crop which will be fairly near last season's over-all average of 40 cents per pound. This assumes the crop turns out to be about average quality. The Government price support level is computed at 75 percent of the Burley loan level. For the 1951 crop, the fire-cured support level was 37.4 cents per pound. On March 10, the Department announced that the minimum support level for the 1952 fire-cured crop would be 37.1 cents per pound. If the Burley parity and, correspondingly, its support level are higher as of October 1, 1952, than when the minimum was determined, the actual support level for this year's fire-cured crop would also increase in about the same proportion. Ninety percent of the May 15 parity for Burley was 49.7 cents and 75 percent of that would be 37.3 cents per pound.

Table 15.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939	99.4	136.2	235.6	94.0	55.1	38.9	10.6
1940	106.5	141.6	248.1	64.2	45.6	18.6	9.5
1941	69.7	183.9	253.6	69.0	51.5	17.5	14.1
1942	71.5	184.6	256.1	76.3	60.7	15.6	17.1
1943	64.9	179.8	244.7	71.2	54.5	16.7	23.4
1944	66.1	173.5	239.6	107.8	43.9	63.9	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	78.6	35.4	43.2	31.9
1949	72.2	157.2	229.4	64.7	35.4	29.3	29.8
1950	58.3	164.7	223.0	75.8	36.0	39.8	31.2
1951 2/	59.5	147.2	206.7				40.0

1/ Year beginning October 1.
2/ Subject to revision.

The 1951 season average price for Virginia fire-cured tobacco (type 21) was 39.2 cents--8 percent above the previous season's average and a record high. For the Kentucky-Tennesse types, the 1951 season averages for the Hopkinsville-Clarksville Belt (type 22) and the Paducah-Mayfield Belt (type 23) were 41.9 and 35.2 cents, respectively. Both were at record highs--well above the 1950 crop average prices which were held down by the poor quality of that year's crop.

The quantities of fire-cured tobacco placed under Government loan in the past 6 seasons are shown in table 16. In the 1951 season, about 20 percent of the Virginia fire-cured tobacco, 14 percent of the Eastern District, Kentucky-Tennessee fire-cured, and around 8 percent of the Western District, Kentucky-Tennessee fire-cured were delivered for Government loans. In the past season, the quantities of the Kentucky-Tennessee types going under loan were only about one-half as large as in the 1950 season, but deliveries of the Virginia type were only slightly smaller than in the 1950 season.

Table 16.- Fire-cured price support operations, 1946-51

(Farm-sales-weight equivalent)

Marketing season	Fire-cured placed under Government loan: Quantity	Fire-cured placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on April 30, 1952 1/
	Million pounds	Percent	Million pounds
1946	40.7	37.4	6.0
1947	31.3	36.2	10.7
1948	27.3	37.3	11.4
1949	18.7	25.9	9.2
1950	12.5	21.4	10.7
1951	7.5	12.7	7.4

1/ Actual loan stocks in terms of packed weight range from 5 to 11 percent less than their farm-sales weights shown in this column.

Dark Air-Cured, Types 35-37

1952-53 Supplies

The acreage of dark air-cured tobacco, as indicated by farmers' intentions on March 1, is about 28,400 compared with 26,500 harvested in 1951. Farm acreage allotments for the Kentucky-Tennessee types 35-36 remained about the same as last year's while the allotments for Virginia sun-cured, type 37, were increased about 10 percent. A larger percentage of the total allotment probably will be grown than last year. If yields per acre equal the average of recent years (omitting the unusually low yield average of 1950), the 1952 production of dark air-cured tobacco would be 32 or 33 million pounds compared with 31.7 million in 1951. Carry-over of dark air-cured tobacco on October 1, 1952, is estimated at about 69 million pounds--2 to 3 million less than on October 1, 1951, and the lowest since 1946. The prospective 1952-53 total supply--carry-over plus production--is approximately 101 million pounds--4 percent smaller than the 1951-52 level and the lowest since 1943-44.

Domestic Use and Exports

During the current marketing year, October 1951-September 1952, domestic use of fire-cured is estimated at about 26 or 27 million pounds--practically the same as in 1950-51. Most dark air-cured tobacco goes into chewing tobacco. During the first half of the current marketing year, the output of chewing tobacco--plug, twist, and fine-cut--was slightly less than in the corresponding period of a year earlier.

Exports of dark air-cured tobacco are partly as leaf and partly as Black Fat, a semiprocessed form of tobacco. The 1951-52 marketing year total of dark air-cured exports is expected to be around 9 million

pounds (farm-sales weight) compared with 10.3 million in 1950-51. Last year's exports of dark air-cured were boosted by unusually large shipments of Green River and One Sucker in June and September to Spain. During the 6 months ending March 31, exports of One Sucker were about 5 percent smaller than in the same period of 1950-51. Nigeria, the largest single outlet got less and a smaller quantity also went to Belgium, usually the next ranking outlet. These two countries got over four-fifths of the One Sucker shipped in the recent 6 months. Exports of Green River were about 20 percent larger in October 1951-March 1952 than in the same period of a year earlier. The United Kingdom, accounting for over four-fifths of the 6 months' total, increased her takings by one-third; but substantially less went to Belgium and Liberia, the next ranking foreign outlets.

During October 1951-March 1952, the exports of Black Fat were over 40 percent larger than in October 1950-March 1951. The 4 leading destinations were Nigeria, French West Africa, Gold Coast, and French Equatorial Africa, each of which took substantially more. A substantially smaller quantity went to Portuguese West Africa--usually a sizable outlet for Black Fat.

Table 17.- Dark air-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1939	44.2	56.1	100.3	34.7	27.3	7.4	7.3
1940	42.5	65.6	108.1	33.7	29.0	4.7	7.7
1941	31.5	74.4	105.9	41.9	38.9	3.0	12.0
1942	35.2	64.0	99.2	33.9	29.8	4.1	15.0
1943	30.0	65.3	95.3	37.6	34.4	3.2	27.2
1944	44.9	57.7	102.6	42.2	35.9	6.3	23.2
1945	43.6	60.4	104.0	43.6	30.5	13.1	25.2
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.9	23.1	14.8	28.7
1949	36.2	74.1	110.3	30.5	24.3	6.2	28.2
1950	28.6	79.8	108.4	36.7	26.4	10.3	24.6
1951 2/	31.7	71.7	103.4				34.3

1/ Year beginning October 1.
2/ Subject to revision.

Prices

Growers of dark air-cured tobacco probably will receive prices for their 1952 crop which will average fairly close to last season's 34.3 cents per pound. This assumes the crop turns out to be about average quality. The Government price support level is computed at 66 2/3 percent of the Burley loan level. For the 1951 crop, the dark air-cured support level was 33.2 cents per pound. On March 10, the Department announced that the minimum support level for the 1952 dark air-cured crop would be 33.0 cents per pound. If the Burley parity and, correspondingly, its support level are higher as of October 1, 1952, than when the minimum was determined, the actual support level for this year's dark air-cured crop would also increase in about the same proportion. Ninety percent of the May 15 parity for Burley was 49.7 cents and 66 2/3 percent of that would be 33.1 cents.

The 1951 season average price for One Sucker was 34.4 cents per pound and for Green River, was 34.2 cents. These price averages were 10.8 and 11.6 cents higher, respectively, than those for the 1950 crops, which were of extremely poor quality. The 1951 season average price for Virginia sun-cured (type 37) was 34.6 cents per pound compared with 33.9 cents in the preceding season. Although nearly all grades increased in price, the poorer quality of the offerings of type 37 limited the rise in its general average to only 2 percent. However, the 1951 price averages for each of the types in the dark air-cured group were above those for any previous year.

The quantities of dark air-cured tobacco placed under Government loan in the past 6 seasons are shown in table 18. In the 1951 season, about 30 percent of the One Sucker crop, 20 percent of the Green River crop, and only a very small amount of the Virginia sun-cured were delivered for Government loans. In the past season, the quantity of One Sucker going under loan was almost twice as large as in the 1950 season; and the quantity of Green River was 37 percent more than in the 1950 season.

Table 18.- Dark air-cured price support operations, 1946-51

(Farm-sales-weight equivalent)

Marketing season	Dark air-cured placed under Government loan		Remaining in Government loan stocks on April 30, 1952 1/
	Quantity	Proportion of total crop	
	Million pounds	Percent	Million pounds
1946	15.7	31.7	1.5
1947	14.4	38.7	10.8
1948	8.9	25.6	5.7
1949	4.1	11.3	2.8
1950	4.1	14.3	3.9
1951	7.3	23.0	7.2

1/ Actual loan stocks in terms of packed weight are 11 or 12 percent less than their farm-sales-weight equivalent.

Cigar, Types 41-62

1952-53 Supplies

Filler: The prospective acreage of continental filler types, as indicated by farmers on March 1, is placed at 37,100 compared with 39,500 harvested in 1951. The Pennsylvania type 41 at 31,100 may be down about 10 percent but acreage of the Ohio types 42-44 may be around 20 percent larger. Acreage allotments are not in effect on these filler types this year although they were in effect on the Ohio types last year. If 1952 yields per acre should be near the average of recent years, production of continental cigar filler this year would be about 56 or 57 million pounds--10 or 11 percent less than in 1951 and lower than in any year since 1946. However, carry-over next October 1 (beginning of the 1952-53 marketing year) is likely to be around 165 million pounds--5 percent larger than on October 1, 1951, and the highest since 1942. The 1952-53 total supply--carry-over plus production--is expected to approximate 222 million pounds compared with 220 million for 1951-52. Supplies of Pennsylvania filler probably will be the largest for any year back to 1925.

Table 19.- Shipments of tobacco from Puerto Rico to the United States for specified periods

Classification	Average 1934-38	1949	1950	1951	January-February 1951	January-February 1952
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Total	22.5	17.9	19.2	16.8	2.6	1.4
Stemmed	17.4	10.1	9.9	10.2	1.7	1.0
Unstemmed	.1	.2	1/	3.5	.1	.1
Scrap	5.0	7.6	9.3	3.1	.8	.3

1/ Less than 50,000 pounds.

Puerto Rican cigar filler tobacco is planted in the fall and harvsted mostly in the first 2 or 3 months of the following year. Current reports indicate that the 1951 crop approximated 27.4 million pounds compared with the previous year's 24.8 million pounds. Stocks of Puerto Rican tobacco in the United States on April 1 were 22.7 million pounds--15 percent lower than a year earlier. Stocks on the Island were 23 1/2 million pounds--35 percent larger than a year earlier but approximately the same as 2 years earlier.

Binder: The prospective acreage of cigar binder types, as indicated by farmers on March 1, is placed at 31,800 compared with 31,200 harvested in 1951. Acreage allotments were in effect for binder types last year but are not in effect for the 1952 crop. Connecticut Valley Broadleaf acreage may be up almost one-fifth but Connecticut Valley Havana Seed acreage may drop about 9 percent. In Wisconsin, the indications were that the Southern type 54 will be little changed from last year's acreage but the Northern type may have a little smaller acreage. The New York and Pennsylvania Havana Seed type 53 will probably have just about the same acreage as last year.

If yields per acre for all binder types should be near the averages for recent years, the 1952 production would approximate 49 or 50 million pounds--slightly more than last year but lower than any previous year since 1936. The carry-over of the cigar binder types next October 1 (beginning of the 1952-53 marketing year) seems likely to be around 135 million pounds--5 percent less than on October 1, 1951, when carry-over was at its highest point in 10 years. Including all binder types, the 1952-53 total supply--carry-over plus production--seems likely to approximate 185 million pounds compared with 191 million for 1951-52. The 200 million pound supply for 1950-51 was the peak for recent years--being the largest since 1940-41.

Wrapper: The prospective acreage of shade-grown wrapper (types 61-62) according to March 1 indications, is 13,000--4 percent lower than that harvested in 1951. About a 6 percent decrease was indicated in the Connecticut Valley (type 61) and a 2 percent decrease, in the Georgia-Florida (type 62) area. If yields per acre should be near those of recent years, the 1952 production would be almost 14 1/2 million pounds--only slightly lower than last year's. Carry-over of these two wrapper types combined on July 1, 1952, seems likely to be about 20 1/2 million pounds--slightly higher than on July 1, 1951. Such a stocks level would exceed that of any previous year. The 1952-53 total supply--carry-over plus production--may approximate 35 million pounds--practically the same as for each of the previous 2 years.

Domestic Use and Exports

The major domestic use of cigar tobacco is in cigars, but a substantial quantity of some grades, particularly from the binder types, is used in scrap chewing tobacco products. The October 1951-March 1952 output of cigars was about 2 percent larger than in the same period of last year while output of scrap chewing was slightly smaller. Consumption of cigars in this country in October 1951-March 1952, as indicated by stamp sales, was almost 4 percent larger than in the same period of a year earlier. The percentage gain of the cigar volume within the 8-cents-or-less price bracket was greater than that for those sold for more than 8 cents apiece. Tax-free removals of cigars, mostly for overseas shipments, were about two-fifths larger than a year earlier.

During the first half of the marketing year for cigar filler and binder types (October-March 1952), exports of cigar binder were about 1.4 million pounds (farm-sales weight)--more than one-fourth larger than in October 1950-March 1951 but exports of cigar filler were only about 430,000 pounds (farm-sales weight)--down about one-fourth. Germany and

Table 20.- Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Type and year	Production	Stocks October 1 1/	Supply	Disappearance year beginning October 1 1/	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Filler types 41-44 2/					
Average 1934-38	48.9	159.9	208.8	54.4	10.4
1939	63.1	141.9	205.0	54.0	11.7
1940	64.7	151.0	215.7	58.7	12.0
1941	71.2	157.0	228.2	61.4	12.5
1942	53.8	166.8	220.6	67.0	13.2
1943	47.0	153.6	200.6	55.2	18.6
1944	54.6	145.4	200.0	57.1	19.5
1945	45.4	142.9	188.3	59.5	34.0
1946	57.3	128.8	186.1	63.9	32.8
1947	60.6	122.2	182.8	59.1	30.6
1948	68.3	123.7	192.0	60.1	25.8
1949	65.4	131.9	197.3	53.5	26.2
1950	65.7	143.8	209.5	52.2	25.2
1951	63.0	157.3	220.3		19.6
Binder types 51-55 3/					
Average 1934-38	41.8	165.1	206.9	60.5	12.5
1939	63.3	116.6	179.9	45.0	16.6
1940	67.9	134.9	202.8	66.1	14.5
1941	61.6	136.7	198.3	60.4	16.9
1942	55.2	137.9	193.1	66.4	20.4
1943	51.0	126.7	177.7	69.2	30.3
1944	57.7	108.5	166.2	63.9	30.9
1945	63.5	102.3	165.8	62.3	47.7
1946	74.1	103.5	177.6	53.9	52.7
1947	69.4	123.7	193.1	67.3	43.4
1948	60.5	125.8	186.3	63.1	41.2
1949	61.7	123.2	184.9	49.8	36.0
1950	65.0	135.1	200.1	57.7	35.8
1951	48.8	142.4	191.2		37.9
Wrapper types 61-62					
Average 1934-38	8.4	11.8	20.2	9.3	78.3
1939	11.4	10.1	21.5	7.9	67.7
1940	9.5	13.6	23.1	10.4	77.6
1941	10.1	12.7	22.8	9.6	98.4
1942	9.2	13.2	22.4	9.4	132.1
1943	10.0	13.0	23.0	8.7	167.7
1944	11.3	14.3	25.6	10.9	196.1
1945	11.2	14.7	25.9	12.3	197.3
1946	12.5	13.6	26.1	12.7	234.0
1947	13.5	13.4	26.9	12.4	296.0
1948	15.1	14.5	29.6	13.0	274.0
1949	17.3	16.6	33.9	14.5	201.0
1950	15.5	19.4	34.9	14.9	203.0
1951	14.8	20.0	34.8		193.0

1/ Stocks of wrapper as of July 1 and disappearance, July-June. 2/ Includes small quantity of type 45 in 1934-38 average. 3/ Includes small quantity of type 56 through 1948.

Austria got substantially larger amounts of binder but Netherlands, Belgium, Denmark, and Sweden got less. The October 1951-March 1952 exports of cigar filler to Algeria, the principal foreign outlet, were only about two-fifths as large as in the same period of a year earlier but Germany got more.

The total disappearance of cigar filler tobacco in the year ending September 30 is estimated at about 55 million pounds compared with 52.2 million pounds in 1950-51. The disappearance of all binder types combined in the current marketing year will probably range between 55 and 60 million pounds--or not greatly different than the 57.7 million pounds in 1950-51.

In March-May 1952, the Mutual Security Administration approved procurement authorizations of 2 3/4 million dollars for approximately 2 million pounds of cigar tobacco for Germany.

The total disappearance of the cigar wrapper types 61-62 is estimated at around 14 1/2 million pounds in the current year ending June 30. The 1950-51 disappearance of wrapper was 14.9 million pounds. During July 1951-March 1952, exports of cigar wrapper were about 2 3/4 million pounds (farm-sales weight)--one-fourth larger than in the comparable period of 1950-51. Germany, accounting for about two-thirds of the total, got 30 percent more. Also, Austria, Canada, and Denmark increased their takings but smaller amounts went to Belgium and Netherlands.

Georgia-Florida Shade-Grown, Type 62, Marketing Agreement and Order

A marketing agreement and order on Georgia-Florida shade-grown wrapper tobacco, which were proposed by growers and handlers of this type, have been placed in effect. The program is to be administered by a control committee of growers and handlers which will recommend to the Secretary of Agriculture the quantity, grade, and quality of leaves to be handled. Regulations will limit the marketings of some of the poorer qualities of this tobacco. The leaves nearest the top of the plant are generally dark in color, low in quality, poor burning, poor to taste, and on the whole undesirable for use as wrappers. Prohibitions on handling the tobacco would not apply to more than (1) the 7 top leaves below the seedhead of a tobacco plant not topped or (2) the 4 top leaves of a tobacco plant that was topped.

Prices

The 1951 crops of the Ohio cigar filler (types 42-44), Puerto Rican (type 46), and the cigar binder (types 51-55) received Government price support. The Pennsylvania type 41 did not receive Government price support because growers disapproved a quota on their 1951 crop. The 1951 season average prices for the cigar tobacco types are shown in table 21.

On April 30, 1952, Government loan stocks and CCC inventories of cigar tobacco totaled about 21.4 million pounds--8.2 million, type 54 (Southern Wisconsin); 5.2 million, type 52 (Connecticut Valley Havana Seed); 2.4 million, type 41 (Pennsylvania Seedleaf); 2.1 million, type 46 (Puerto Rican filler); 2.1 million, types 42-44 (Ohio filler); and 1.3 million, type 51 (Connecticut Valley Broadleaf). About 8.9 million pounds of the total was 1951 crop tobacco, of which more than one-half was type 54.

Table 21.- Cigar tobacco types, Government loan levels, and season average prices, 1949-51

Type	1949 loan level	1949 season average	1950 loan level	1950 season average	1951 loan level	1951 season average
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Pennsylvania filler, type 41	20.1	26.4	25.2	26.4	1/	19.0
Ohio cigar filler, types 42-44	18.3	25.0	23.6	18.6	26.1	24.4
Puerto Rican filler, type 46	31.5	20.0	29.0	28.5	32.6	2/
Conn. Valley Broadleaf binder, type 51	40.6	53.0	49.0	52.0	55.2	51.0
Conn. Valley Havana Seed binder, type 52	42.9	41.9	49.5	39.8	54.2	42.6
N. Y. and Pa. Havana Seed binder, type 53	24.2	22.0	25.5	21.7	28.0	22.3
Southern Wis. binder, type 54	19.8	22.8	24.1	23.5	27.3	25.3
Northern Wis. binder, type 55	25.7	28.5	30.0	28.1	33.5	31.3
Conn. Valley Shade-grown type 61	3/	205.0	3/	205.0	3/	200.0
Ga.-Fla. Shade-grown type 62	3/	195.0	3/	200.0	3/	185.0

1/ Government price support not available on 1951 crop.
2/ Not available.
3/ Mandatory loans not applicable.

Government price supports cannot be made available on the 1952 crops of the cigar filler and binder types except for Puerto Rican tobacco (type 46). Growers of Pennsylvania disapproved a quota on their 1952 crop by a substantial majority. The combined vote in the referendum on the cigar filler and binder (types 42-44 and 51-55) only narrowly missed attaining the required two-thirds approval for keeping a marketing quota in effect on the 1952 crop of these types.

Supplies of Puerto Rican tobacco are in line with demand, making it unnecessary to proclaim a quota for the 1952 crop of this type. The price support for the 1952 Puerto Rican crop will be announced as of October 1, 1952, and will be at 90 percent of the parity level.

Table 22.- Acreage of tobacco in the United States, by class and type, average 1934-38, annual 1950-52, and percentage change 1951 to 1952

Class and type	Average 1934-38	1950	1951 1/	Indicated 1952 2/	Percentage change 1951 to 1952
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	327.1	348.0	399.0	400.0	+0.3
Eastern North Carolina, type 12	296.6	307.0	356.0	360.0	+1.1
South Carolina, type 13	155.7	193.0	224.0	226.0	+.9
Georgia and Florida, type 14	83.7	110.4	134.1	135.6	+1.1
Total flue-cured, types 11-14	863.1	958.4	1,113.1	1,121.6	+.8
Virginia, type 21	23.1	9.8	10.0	9.9	-1.0
Kentucky and Tennessee, type 22	76.7	29.8	28.2	29.3	+3.9
Kentucky and Tennessee, type 23	32.4	13.3	10.8	12.0	+11.1
Total fire-cured, types 21-23	3/135.2	52.9	49.0	51.2	+4.5
Burley, type 31	347.2	408.3	456.1	469.3	+2.9
Maryland, type 32	36.7	50.0	52.0	51.0	-1.9
One Sucker, type 35	19.9	16.2	15.0	15.9	+6.0
Green River, type 36	18.8	9.3	8.0	8.6	+7.5
Virginia sun-cured, type 37	3.3	3.2	3.5	3.9	+11.4
Total dark air-cured, types 35-37	42.0	28.7	26.5	28.4	+7.2
Pennsylvania Seedleaf, type 41	23.4	36.8	34.6	31.1	-10.1
Miami Valley, types 42-44	14.6	7.8	4.9	6.0	+22.4
Total cigar filler, types 41-44	38.0	44.6	39.5	37.1	-6.1
Connecticut Valley Broadleaf, type 51	7.2	10.1	8.2	9.8	+19.5
Conn. Valley Havana Seed, type 52	5.4	8.8	6.6	6.0	-9.1
N. Y. and Pa. Havana Seed, type 53	.7	1.0	.6	.6	.0
Southern Wisconsin, type 54	8.9	9.3	6.9	7.0	+7.2
Northern Wisconsin, type 55	6.7	12.8	8.9	8.4	-5.6
Total cigar binder, types 51-55	4/ 29.9	42.0	31.2	31.8	+1.9
Conn. Valley Shade-grown, type 61	6.3	8.3	8.4	7.9	-6.0
Ga. and Fla. Shade-grown, type 62	2.6	5.4	5.2	5.1	-1.9
Total cigar wrapper, types 61-62	8.9	13.7	13.6	13.0	-4.4
Louisiana Perique, type 72	.3	.4	.4	.3	-20.0
Total all types	1,501.3	1,599.0	1,781.4	1,803.7	+1.3

1/ Preliminary. 2/ Based on farmers' intentions as of March 1. 3/ Includes relatively small acreage of type 24. 4/ Includes relatively small acreage of types 45 and 56.

Table 23.- Cash receipts from farm marketings, average 1935-39, annual 1940-51, with percentages

Year	Cash receipts				Tobacco as a percentage of	
	Livestock and products	All crops	Total farm	Tobacco 1/	All crops	Total cash receipts
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
Av. 1935-39	4,559	3,395	7,954	274	8.1	3.4
1940	4,897	3,435	8,332	242	7.0	2.9
1941	6,470	4,605	11,075	323	7.0	2.9
1942	9,047	6,439	15,486	476	7.4	3.1
1943	11,466	7,892	19,358	539	6.8	2.8
1944	11,337	9,040	20,377	688	7.6	3.4
1945	12,001	9,419	21,420	898	9.5	4.2
1946	13,719	10,835	24,554	970	9.0	4.0
1947	16,523	13,231	29,754	1,033	7.8	3.5
1948	17,087	13,136	30,223	945	7.2	3.1
1949	15,426	12,586	28,012	904	7.2	3.2
1950	16,198	12,575	28,773	1,064	8.5	3.7
1951 2/	19,609	13,182	32,791	1,170	8.9	3.6
	Percentage increase					
	Percent	Percent	Percent	Percent		
Av. 1935-39 to 1951	330	288	312	327	---	---
1950 to 1951	21	5	14	10	---	---

1/ Calendar year receipts are derived from parts of two crop years and should not be confused with the value of a particular year's production.
2/ Preliminary.

Table 17.- Tobacco manufactures: Net sales, costs and expenses, net income, and profit ratios, annual 1947-51, by quarters 1950-51

Year and quarter	Net sales	Costs, expenses, and other deductions	Net income		Profit			
					Per dollar of sales		As percentage of stockholders' equity (annual basis)	
			Before Federal income tax	After Federal income tax	Before Federal income tax	After Federal income tax	Before Federal income tax	After Federal income tax
	Million dollars	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	2,463	178	109	6.7	4.1	16.6	10.1
1948	3,081	2,824	257	159	8.3	5.2	22.0	13.7
1949	3,061	2,811	250	156	8.2	5.1	20.2	12.6
1950	3,129	2,849	281	152	9.0	4.9	21.3	11.5
1951	3,329	3,035	294	129	8.8	3.9	21.8	9.6
1950								
1	703	652	52	32	7.4	4.6	16.4	10.0
2	775	712	63	39	8.1	5.0	19.2	12.0
3	839	754	85	45	10.1	5.4	25.2	13.2
4	812	731	81	36	10.0	4.4	24.4	10.8
1951								
1	751	683	68	32	9.1	4.3	20.4	9.6
2	828	759	69	34	8.3	4.1	20.4	10.0
3	854	778	76	31	8.9	3.6	22.5	9.2
4	896	815	81	32	9.0	3.6	23.7	9.4

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